

**ANTHONY J. SCIOLLA, JR., ESQUIRE**

**Attorney I.D.# 25365**

**Noble Plaza, Suite 219**

**801 Old York Road**

**Jenkintown, PA 19046**

**E-mail: ajsciollajr@msn.com**

**(215) 673-9222/(215) 481-9001**

**Fax No.: (215) 885-7155**

**Attorney for Plaintiff**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**RAFAIL THEOKARY**  
**Plaintiff/Debtor**

**v.**

**ERIC ABATIELLO, d/b/a**  
**ABATIELLO RACING STABLES;**  
**GAITWAY FARMS, INC.;**  
**SHOWPLACE FARMS; TOM SHAY;**  
**and any JOHN DOES (1-10)**  
**ENTITIES OR LEGAL ENTITIES**  
**THAT MAY BECOME KNOWN**  
**AFTER FILING**

**:** **CASE NO.: 07-11008 (elf)**  
**:** **Chapter 7**  
**:**  
**:** **Adversary No.: 09-00051(elf)**  
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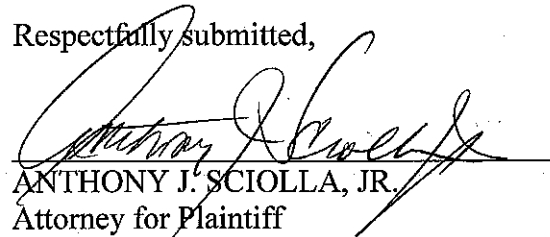
**RESPONSE ON BEHALF OF PLAINTIFF IN OPPOSITION**  
**TO DEFENDANT'S MOTION FOR SANCTIONS PURSUANT TO RULE 11**

Anthony J. Sciolla, Jr., Esquire, who is also noticed on Jeffrey Pocaro's Motion for Rule 11 Sanctions, is joining in with the Responses filed by Kenneth A. Sandler, Esquire, Michael Rutenberg, Esquire and Keith Sklar, Esquire to Defendants' Counsel's Motion for Rule 11 Sanctions. Instead of filing a totally separate Motion, Mr. Sciolla incorporates by reference the Sandler and Sklar Responses and Memorandum of Law into this Response, and agrees with counsel that there is no basis, especially since Mr. Pocaro filed one back in 2009 when Mr. Sciolla was assisting Mr. Sklar in the prosecution of this case and that Motion was dismissed.

WHEREFORE, Anthony J. Sciolla, Jr., Esquire, who represented Rafail Theokary in the

early part of the Adversary matter, and is now part of the appeal and back in representation for Rafail Theokary in the United States District Court of Appeal, requests that this Motion be dismissed with prejudice.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Anthony J. Sciolla, Jr.", is written over a horizontal line. The signature is fluid and cursive.

ANTHONY J. SCIOLLA, JR.  
Attorney for Plaintiff

LAW OFFICES OF SKLAR SMITH-SKLAR  
1901 N. OLDEN AVENUE, SUITE 22  
EWING, NEW JERSEY 08618  
(609) 882-9800 FAX: (609) 538-1399  
KEITH D. SKLAR, ESQ. (91524)  
ATTORNEY PRO SE

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**RAFAIL THEOKARY,**  
Plaintiff/Debtor

**Vs.**

**ERIC ABATIELLO, d/b/a  
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AFTER FILING**

**CASE NO.: 07-11008 (elf)  
CHAPTER 7**

**ADVERSARY NO.: 09-00051(elf)**

**ANSWER TO  
DEFENDANT'S MOTION FOR  
SANCTIONS PURSUANT  
TO F.R.C.P. 11**

**AND NOW COMES**, Keith David Sklar, Esquire, filing this answer:

**AFFIRMATIVE DEFENSES**

1. This court lacks subject matter jurisdiction over the pending motion.
2. The motion has been brought against a non-party and thus relief cannot be granted pursuant to FRCP 12(b)(6).
3. The matter has already been previously decided and Your Honor denied Defendants' previous Motion for Sanctions and as such the doctrine of *res judicata* applies hereto.

**ANSWER**

4. Paragraphs 1-3 are hereby incorporated by reference as if they were plead in their entirety.

5. Defendants' motion is improper since Your Honor found that the Defendants had violated 11 U.S.C. § 362.
6. Defendants have not proven by any evidence that the case brought against them was frivolous.
7. Defendants' motion has been brought to harass counsel and is without merit.
8. Attorney, Keith D. Sklar, is a non-party to this action since June 2009 and as such no sanctions may be brought against him or his firm.
9. Counsel seeks attorney fees in the amount of \$2500.00 for having to defend this frivolous motion and to file additional FRCP 12(b) motions.
10. I would also join in attorney Sandler's responsive brief filed with this Court.

**WHEREFORE,** KEITH D. SKLAR, ESQUIRE seeks an Order dismissing the Defendants' Motion and awarding him \$2500.00 in counsel fees for defending the same.

Dated: August 6, 2012

/s/Keith D. Sklar, Esq.  
Pro se

LAW OFFICES OF SKLAR SMITH-SKLAR  
1901 N. OLDEN AVENUE, SUITE 22  
EWING, NEW JERSEY 08618  
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KEITH D. SKLAR, ESQ. (91524)  
ATTORNEY PRO SE

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**RAFAIL THEOKARY,**  
**Plaintiff/Debtor**

**Vs.**

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And any JOHN DOES (1-10)  
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THAT MAY BECOME KNOWN  
AFTER FILING**

**CASE NO.: 07-11008 (elf)  
CHAPTER 7**

**ADVERSARY NO.: 09-00051(elf)**

**CERTIFICATE OF SERVICE**

I, KEITH D. SKLAR, ESQUIRE, do solemnly affirm that a true and correct copy of  
this Answer was served on the party below by the court's ECF system and/or by United  
States Mail, First Class in a pre-paid postage envelope:

Jeffrey R. Pocaro, Esq.  
141 South Avenue, Suite 204  
Fanwood, NJ 07023

United States Bankruptcy Court  
Eastern District of Pennsylvania  
9<sup>th</sup> and Market Streets  
Philadelphia, PA 19107

Dated: August 6, 2012

/s/Keith D. Sklar, Esq.  
Keith D. Sklar, Esq.

LAW OFFICES OF SKLAR SMITH-SKLAR  
1901 N. OLDEN AVENUE, SUITE 22  
EWING, NEW JERSEY 08618  
(609) 882-9800 FAX: (609) 538-1399  
KEITH D. SKLAR, ESQ. (91524)  
ATTORNEY PRO SE

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**RAFAIL THEOKARY,**  
**Plaintiff/Debtor**

**Vs.**

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**CASE NO.: 07-11008 (elf)**  
**CHAPTER 7**

**ADVERSARY NO.: 09-00051(elf)**

**MOTION TO DISMISS**  
**DEFENDANT'S MOTION FOR**  
**SANCTIONS PURSUANT**  
**TO F.R.C.P. 12(b)**

**AND NOW COMES**, Keith David Sklar, Esquire, requesting an Order from this Honorable Court dismissing the Defendants' Motion for Sanctions pursuant Federal Rule of Civil Procedure 12(b)(1); (b)(3); and (b)(6) as well as counsel fees.

**WHEREFORE**, it is respectfully requested that this Honorable Court **GRANT** this motion and dismiss the Defendants' Motion for Rule 11 sanctions and for attorney's fees in the amount of \$2500.00

LAW OFFICES OF SKLAR SMITH-SKLAR  
1901 N. OLDEN AVENUE, SUITE 22  
EWING, NEW JERSEY 08618  
(609) 882-9800 FAX: (609) 538-1399  
KEITH D. SKLAR, ESQ. (91524)  
ATTORNEY PRO SE

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**RAFAIL THEOKARY,**  
Plaintiff/Debtor

**CASE NO.: 07-11008 (elf)**  
**CHAPTER 7**

**Vs.**

**ADVERSARY NO.: 09-00051(elf)**

**ERIC ABATIELLO, d/b/a**  
**ABATIELLO RACING STABLES;**  
**GAITWAY FARMS, INC.;**  
**SHOWPLACE FARMS; TOM SHAY;**  
**And any JOHN DOES (1-10)**  
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**AFTER FILING**

**MOTION TO DISMISS**  
**DEFENDANT'S MOTION FOR**  
**SANCTIONS PURSUANT**  
**TO F.R.C.P. 12(b)**

Attorney, KEITH D. SKLAR, hereby requests that Defendants' pending Motion for Rule 11 Sanctions be dismissed for the following reasons:

1. Pursuant to F.R.C.P. 12(b)(1) this Court lacks subject matter jurisdiction over these proceedings. "[W]here a bankruptcy case is closed and the estate no longer exists, and where plaintiff does not seek to have the bankruptcy case opened for cause pursuant to 11 U.S.C. § 350(b) and Bankruptcy Rule 5010, the court is without jurisdiction to entertain any proceedings, irrespective of whether those proceedings are defined as 'core' or related 'non-core' proceedings." Walnut Associates v. Saidel, 164 B.R. 487, 491 (E.D. Pa. 1994) This case was dismissed with prejudice on April 10, 2012 effectively closing the case.
2. Pursuant to F.R.C.P. 12(b)(3) this is an improper venue to bring this action since this court lacks subject matter jurisdiction as cited above.
3. Pursuant to F.R.C.P. 12(b)(6) the Defendant has brought an action for which relief cannot be granted. This action is improper, brought in a court which lacks subject matter jurisdiction and is brought in an improper venue. Pursuant to F.R.C.P. 12(b)(6), Defendant has brought an action for which relief cannot be granted and this action should be dismissed. Defendant has also brought the

action against a non-party and as such relief cannot be granted. Attorney Sklar was relieved as counsel on June 16, 2009 and has had nothing to do with this case since.

4. Attorney, Keith D. Sklar, seeks counsel fees in the amount of \$2500.00 to cover the expense of filing this motion, responsive pleadings to Defendants' motion and time to appear in this Court to defend the same. (Time sheet attached hereto)

**WHEREFORE**, counsel seeks an Order dismissing the Defendants' motion and granting counsel fees in the amount of \$2500.00.

August 6, 2012

/s/Keith D. Sklar, Esq.  
Pro Se



LAW OFFICES OF SKLAR SMITH-SKLAR  
1901 N. OLDEN AVENUE, SUITE 22  
EWING, NEW JERSEY 08618  
(609) 882-9800 FAX: (609) 538-1399  
KEITH D. SKLAR, ESQ. (91524)  
ATTORNEY PRO SE

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**RAFAIL THEOKARY,**  
**Plaintiff/Debtor**

**Vs.**

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And any JOHN DOES (1-10)  
ENTITIES OR LEGAL ENTITIES  
THAT MAY BECOME KNOWN  
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**CASE NO.: 07-11008 (elf)  
CHAPTER 7**

**ADVERSARY NO.: 09-00051(elf)**

**ORDER**

**AND NOW THIS** \_\_\_\_\_ **day of August, 2012 and for good cause having**  
**been shown, it is hereby ORDERED and DECREED:**

That the Defendants' Motion for Rule 11 Sanctions is hereby **DISMISSED** with  
prejudice;

IT IS FURTHER ORDERED that the Defendants shall pay counsel fees in the  
amount of \$2500.00 to attorney Keith D. Sklar.

---

Hon. Eric L. Frank  
United States Bankruptcy Judge  
Eastern District of Pennsylvania

LAW OFFICES OF SKLAR SMITH-SKLAR  
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EWING, NEW JERSEY 08618  
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KEITH D. SKLAR, ESQ. (91524)  
ATTORNEY PRO SE

**IN THE UNITED STATES BANKRUPTCY COURT  
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**CASE NO.: 07-11008 (elf)  
CHAPTER 7**

**ADVERSARY NO.: 09-00051(elf)**

**CERTIFICATE OF SERVICE**

I, KEITH D. SKLAR, ESQUIRE, do solemnly affirm that a true and correct copy of  
this Notice of Motion, Motion and Order were served on the party below by the court's  
ECF system and/or by United States Mail, First Class in a pre-paid postage envelope:

Jeffrey R. Pocaro, Esq.  
141 South Avenue, Suite 204  
Fanwood, NJ 07023

United States Bankruptcy Court  
Eastern District of Pennsylvania  
9<sup>th</sup> and Market Streets  
Philadelphia, PA 19107

Dated: August 6, 2012

/s/Keith D. Sklar, Esq.  
Keith D. Sklar, Esq.

LAW OFFICES OF SKLAR SMITH-SKLAR  
1901 N. OLDEN AVENUE, SUITE 22  
EWING, NEW JERSEY 08618  
(609) 882-9800 FAX: (609) 538-1399  
KEITH D. SKLAR, ESQ. (91524)  
PRO SE

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

|                                   |   |                                     |
|-----------------------------------|---|-------------------------------------|
| <b>RAFAIL THEOKARY,</b>           | : | <b>CASE NO.: 07-11008 (elf)</b>     |
| <b>Plaintiff/Debtor</b>           | : | <b>CHAPTER 7</b>                    |
| <b>Vs.</b>                        | : | <b>ADVERSARY NO.: 09-00051(elf)</b> |
| <b>ERIC ABATIELLO, d/b/a</b>      | : |                                     |
| <b>ABATIELLO RACING STABLES;</b>  | : |                                     |
| <b>GAITWAY FARMS, INC.;</b>       | : |                                     |
| <b>SHOWPLACE FARMS; TOM SHAY;</b> | : |                                     |
| <b>And any JOHN DOES (1-10)</b>   | : |                                     |
| <b>ENTITIES OR LEGAL ENTITIES</b> | : | <b>MOTION TO DISMISS</b>            |
| <b>THAT MAY BECOME KNOWN</b>      | : | <b>DEFENDANT'S MOTION FOR</b>       |
| <b>AFTER FILING</b>               | : | <b>SANCTIONS PURSUANT</b>           |
|                                   | : | <b>TO F.R.C.P. 12(b)</b>            |

**NOTICE OF MOTION, RESPONSE DEADLINE  
AND HEARING DATE**

Keith D. Sklar, Esquire, has filed a Motion to Dismiss Defendants' Motion for Sanctions pursuant to F.R.C.P. Rule 12(b).

**Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult an attorney.)**

1. If you do not want the court to grant relief sought in the motion or if you want the court to consider your views on the motion, then on or before August 13, 2012, you or your attorney must do **all** of the following:

- (a) File an answer explaining your position at  
Clerk's Office  
United States Bankruptcy Court for  
The Eastern District of Pennsylvania  
Robert N.C. Nix, Sr. Federal Courthouse  
9<sup>th</sup> and Market Streets, Suite 400  
Philadelphia, PA 19107

If you mail your answer to the bankruptcy clerk's office for filing, you must mail it early enough so that it will be received on or before the date stated above: and

(b) Mail a copy to the movant's attorney:

Keith D. Sklar, Esquire  
Law Offices of Sklar Smith-Sklar  
1901 N. Olden Avenue, Suite 22  
Ewing, New Jersey 08618  
(609) 882-9800 Fax: (609) 538-1399

2. If you or your attorney do not take the steps described in paragraphs 1(a) and 1(b) above and attend the hearing, the court may enter an order granting the relief requested in the motion.
3. A hearing on the motion is scheduled for August 15, 2012 at 10:00 AM at the United States Bankruptcy Court for the Eastern District of Pennsylvania, located at the Robert N.C. Nix, Sr., Federal Courthouse, 9<sup>th</sup> and Market Streets, Courtroom 1, Philadelphia, Pennsylvania before the Honorable Eric L. Frank, United States Bankruptcy Judge for the Eastern District of Pennsylvania.
4. If a copy of the motion is not enclosed, a copy of the motion will be provided to you if you request a copy from the attorney named in paragraph 1(b).
5. You may contact the Bankruptcy Clerk's office at (215) 408-2800 to find out whether the hearing has been canceled because no one filed an answer.

Date: August 6, 2012

Keith D. Sklar, Esq.  
Pro Se

Imaged Certificate of Notice Page 1 of 3

United States Bankruptcy Court  
Eastern District of Pennsylvania

Theokary, Plaintiff

Adv. Proc. No. 09-00051-elf

Shay, Defendant

**CERTIFICATE OF NOTICE**

District/off: 0313-2

User: Virginia  
Form ID: pdf900

Page 1 of 2  
Total Noticed: 5

Date Rcvd: Jul 31, 2012

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Aug 02, 2012.

ust +BRENDA D. GISH, Office of United States Trustee - U.S. D, Federal Building,  
228 Walnut Street, 11th Floor, Harrisburg, PA 17101-1714  
ust +SHAKIMA L. DORTCH, U.S. Dept. of Justice - U.S. Trustee, 844 N. King Street, Suite 2207,  
Wilmington, DE 19801-3519  
pla +Rafail Theokary, PO Box 2027, Aston, PA 19014-0027

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

ust +E-mail/Text: ustpregion03.ph.ecf@usdoj.gov Aug 01 2012 03:01:50 Frederic J. Baker,  
Office of United States Trustee, 833 Chestnut Street, Suite 500,  
Philadelphia, PA 19107-4405  
ust +E-mail/Text: ustpregion03.ph.ecf@usdoj.gov Aug 01 2012 03:01:50 United States Trustee,  
Office of the U.S. Trustee, 833 Chestnut Street, Suite 500, Philadelphia, PA 19107-4405  
TOTAL: 2

\*\*\*\*\* BYPASSED RECIPIENTS \*\*\*\*\*

NONE.

TOTAL: 0

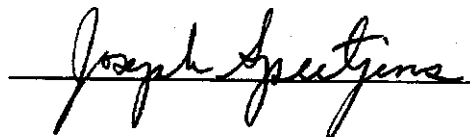
Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.  
USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Aug 02, 2012

Signature:



District/off: 0313-2

User: Virginia  
Form ID: pdf900

Page 2 of 2  
Total Noticed: 5

Date Rcvd: Jul 31, 2012

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on July 31, 2012 at the address(es) listed below:

DAVID A. HUBER on behalf of Attorney JEFFREY POCARO, ESQ. DAHESQECF@yahoo.com,  
Reinherzlaw@gmail.com

JEFFREY R. POCARO on behalf of Defendant Gaitway Farm, Inc. jrpesq@aol.com

KENNETH A. SANDLER on behalf of Plaintiff Rafail Theokary atty.k@sandler-law.net.

MICHAEL J. RUTENBERG on behalf of Plaintiff Rafail Theokary mjrutenberg@yahoo.com

TOTAL: 4

Theokary v. Abbatiello et al  
Adversary 09-0051

TIME SHEET TO ANSWER AND PREPARE MOTION

| DATE     | DESCRIPTION   | HOURS | RATE      | TOTAL       |
|----------|---|-------|-----------|-------------|
| 8/5/2012 | Computer Research to<br>File Answer to Motion<br>for Sanctions and File<br>12(b) Motion | 2.00  | \$ 300.00 | \$ 600.00   |
|          | Prepare Rule 12 (b) Motion<br>Order, Cert of Service                                    | 2.00  | \$ 300.00 | \$ 600.00   |
|          | Prepare Answer to<br>Defendants' Motion<br>Order, Cert of Svce                          | 1.33  | \$ 300.00 | \$ 400.00   |
|          | Appear and Defend<br>Motion in Court  | 3.00  | \$ 300.00 | \$ 900.00   |
|          | Total   |       |           | \$ 2,500.00 |

Theokary v. Abbatiello et al  
Adversary 09-0051

TIME SHEET TO ANSWER AND PREPARE MOTION

| DATE     | DESCRIPTION   | HOURS | RATE      | TOTAL       |
|----------|---|-------|-----------|-------------|
| 8/5/2012 | Computer Research to<br>File Answer to Motion<br>for Sanctions and File<br>12(b) Motion | 2.00  | \$ 300.00 | \$ 600.00   |
|          | Prepare Rule 12 (b) Motion<br>Order, Cert of Service                                    | 2.00  | \$ 300.00 | \$ 600.00   |
|          | Prepare Answer to<br>Defendants' Motion<br>Order, Cert of Svce                          | 1.33  | \$ 300.00 | \$ 400.00   |
|          | Appear and Defend<br>Motion in Court  | 3.00  | \$ 300.00 | \$ 900.00   |
|          | Total   |       |           | \$ 2,500.00 |



Theokary v. Abbatiello et al  
Adversary 09-0051

TIME SHEET TO ANSWER AND PREPARE MOTION

| DATE     | DESCRIPTION   | HOURS | RATE      | TOTAL       |
|----------|---|-------|-----------|-------------|
| 8/5/2012 | Computer Research to<br>File Answer to Motion<br>for Sanctions and File<br>12(b) Motion | 2.00  | \$ 300.00 | \$ 600.00   |
|          | Prepare Rule 12 (b) Motion<br>Order, Cert of Service                                    | 2.00  | \$ 300.00 | \$ 600.00   |
|          | Prepare Answer to<br>Defendants' Motion<br>Order, Cert of Svce                          | 1.33  | \$ 300.00 | \$ 400.00   |
|          | Appear and Defend<br>Motion in Court  | 3.00  | \$ 300.00 | \$ 900.00   |
|          | Total   |       |           | \$ 2,500.00 |

KENNETH A. SANDLER  
ATTORNEY AT LAW  
701 Westerly Dr.  
Marlton, NJ 08053-1070  
(856) 596-0990/Fax (856) 596-9593  
E-mail: atty.k@sandler-law.net  
Attorney for Plaintiff-Debtor, Rafail Theokary

|                               |   |                           |
|-------------------------------|---|---------------------------|
| RAFAIL THEOKARY,              | : | U.S. BANKRUPTCY COURT FOR |
|                               | : | THE EASTERN DISTRICT OF   |
| Plaintiff-Debtor,             | : | PENNSYLVANIA              |
|                               | : |                           |
|                               | : |                           |
| vs.                           | : | DOCKET NO. 07-11008       |
|                               | : |                           |
|                               | : | ADVERSARY NO. 09-00051    |
| ERIC ABBATIELLO, d/b/a        | : |                           |
| ABBATIELLO RACING STABLES;    | : |                           |
| TOM SHAY; GAITWAY FARM, INC.; | : |                           |
| and SHOWPLACE FARMS,          | : |                           |
|                               | : |                           |
|                               | : |                           |
| Defendants.                   | : |                           |
|                               | : |                           |

**MEMORANDUM ON BEHALF OF PLAINTIFF IN OPPOSITION TO  
DEFENDANT'S MOTION FOR SANCTIONS PURSUANT TO RULE 11**

**Introduction**

On July 16, 2012, Defendants Gaitway Farm, Inc. (Gaitway) and Showplace Farms (Showplace) filed a motion seeking attorneys fees and costs, pursuant to Fed. R. Civ. P. 11 (more properly Fed. R. Bankr. P. 9011) . In brief, their Motion asserts that because they were dismissed as Defendants herein and they had previously requested that Plaintiff voluntarily withdraw his claims against them, that they are entitled to relief pursuant to Fed. R. Bankr. P. 9011.

Plaintiff submits, in the first instance, that this Honorable Court presently has **no** jurisdiction over any case or controversy involving any of the parties herein as a final disposition of the adversary action was made on April 10, 2012 **and** Plaintiff filed an appeal therefrom on April 23 2012 ( Doc. No. 294) , which along with prior appeals of the Court's dismissal of Defendants Gaitway and Showplace are also pending before the U.S. District Court for this District at Case Nos 12-2844, 10-58 and 11-3556, respectively. In accordance with the caselaw established by U.S. Supreme Court, Griggs v. Provident Consumer Discount Co., 459 U.S. 56, 58 (1982) and, as applied in this Circuit, and to Bankruptcy Courts, this Court was divested of jurisdiction, with the filing of those appeals. As will be noted *infra*, the issues raised in Defendants' instant motion are inherently interrelated with the issues on appeal as they go to the grounds for the dismissal of those two party defendants.

Plaintiff submits, in the second instance, that moving Defendants' instant motion is barred by the doctrines of waiver and laches as this Court's ruling on the dismissal of Defendants Gaitway and Showplace were made with its February 15, 2011 Opinion and Order and with its Order on Motion to Alter or Amend Judgment, on April 18, 2011 (Doc. No. 191). Moving Defendants neither filed a Motion for Rule 11 Sanctions within a reasonable time following the February 15, 2011 rulings although Defendants Abbatiello and Shay did purport to file a Cross-Motion to Alter or Amend Judgment on March 16, 2011, and as amended, on March 17, 2011. Doc. Nos. 185, 186.

With this Court's April 18, 2011 Order on the Motion(s) to Alter or Amend Judgment, moving Defendants were no longer part of the next stage of proceedings, namely the

damages hearings , which began on June 12, 2011. None of the subsequent proceedings had any effect on the Court's prior determination to dismiss them as party defendants -- which status is at issue in the instant Rule 11 Motion -- yet Defendants filed no such Rule 11 Motion until some one and one-quarter (1 1/4) years later. By failing to file any such motion for such a lengthy period of time, including at or about the time its counsel filed a purported Cross-Motion to Alter or Amend Judgment on March 16/17, 2011, moving Defendants waived their rights to file same and themselves prejudiced Plaintiff by their own "unnecessary delay or needless increase in the cost of litigation." Fed. R. Bankr. P. 9011(b)(1). Even more egregious is moving Defendants' determination to file such Motion only **after** Plaintiff had appealed this Court's Opinion and Order of April 10, 2012 and its entry of a disposition of the adversary. By their failure to act timely and prior to any appeal, movants must effectively be estopped from pursuing any Rule 11 sanctions -- which, it appears, to the undersigned, are simply a preemptive move for leverage in the event of any adverse decision by District Court, awarding Plaintiff attorney's fees. It is also noted that movants' counsel was fully conversant with the filing of Rule 11 Motions, having filed several such pre-trial motions, all of which were denied. Certification of Jeffrey R. Pocaro, Esq., dated July 16, 2012 (Doc. No. 308-2)

In the third instance, Defendant Showplace is collaterally estopped from arguing that Plaintiff's failure voluntarily to withdraw it as a party defendant gives rise to Rule 11 sanctions, as this Honorable Court, after denying all motions to dismiss said defendant, pre-trial and trial, made clear in it its liability Opinion that there was "evidentiary support," Fed. R. Bankr. P. 9011 (b) (3), for Plaintiff's claim that he had attempted to take possession of two of his horses at said defendants' premises in the day(s) after his Bankruptcy Petition and that representatives of

said defendant prevented from so doing.<sup>1</sup> This Court also noted that had it credited Plaintiff's testimony, same "might have supported his claim that Showplace violated 11 U.S.C. § 362(a)(3) by interfering with a right of possession of the two horses. (citations omitted)" Doc. No. 175 at 33, fn. 33. Accordingly, Plaintiff's claims against Defendant Showplace were found by this Court to be "warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law," Fed. R. Bankr. P. 9011(b)(2), and furnish no grounds for a Rule 11 Motion thereon. Having failed to file a Motion to Alter or Amend Judgment thereon and/or an appeal thereafter as to those findings and conclusions of this Court, Defendant Showplace has waived its right to, and was collaterally estopped from, arguing such in the instant motion, and no Rule 11 sanctions are appropriate

In the fourth instance: As argued in the appeal pending in District Court, Plaintiff's claims against Defendant Gaitway also were shown to have "evidentiary support," Fed. R. Bankr. P. 9011(b)(3, ) in the record, including but not limited to the testimony of Defendant Abbatiello, who admitted that he had posted notices of the lien sale, now conclusively determined to be a willful violation of the automatic stay, 11 U.S.C. § 362(k)(1), at each and every barn on Defendant's Gaitway's premises and its premises and that he had some contact with staff at Defendant Gaitway -- although Your Honor sustained an objection to pursuing that line of questioning further on cross-examination. Any ruling on that issue at this time would then clearly interfere with the District Court's pending appeal.

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<sup>1</sup> This Court wrote as follows: "Exercising the discretion afforded under Rule 52(c), I denied Showplace's motion because I did not find the Debtor's testimony regarding [such] so unworthy of belief as to make it unnecessary for Showplace to present evidence." Doc. No. 175 at 33.

Finally, although Defendants' Motion to this Court is clearly precluded by virtue of Plaintiff's appeals to District Court and the concomitant divestiture of this Court's jurisdiction -- and without prejudice to that argument and other grounds for preclusion of the motion -- Plaintiff submits that the time records submitted by movants' attorney (Doc. 308-4, Exh. "E") are not limited to his representation of the movants, include time expended on unsuccessful, and arguably frivolous motions, filed on behalf of movants, *e.g.*, motion and evidentiary hearings relating to "newly discovered evidence" from one Joseph Eisenhower, presented at hearings in January and February 2010; further, they include four (4) hours for travel billed at \$250.00 per hour, when appearing at hearings, conferences and other proceedings herein and in U.S. District Court,<sup>2</sup> which do not constitute "reasonable expenses," Fed. R. Bankr. P. 9011 (c)(1)(A), as Mr. Pocaro, is a New Jersey attorney based in the northern part of the State and those expenses are thus "extraordinary" and not appropriate for relief -- if warranted-- under Rule 11. It is also noteworthy that although moving Defendants are claiming attorney's fees and costs in the amount of \$75,300 (Exh. "E" to Motion), they have paid their attorney only a total of Seven Thousand Five Hundred (\$7,500.00) Dollars. Certification of Jeffrey R. Pocaro, Esq., p. 7, ¶¶ 31-32 (Doc. No. 308-2). Insofar as those parties are corporate entities, it is questionable why they would have paid their legal counsel attorney's fees of only approximately ten (10%) percent of the amount claimed in their instant Motion.

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<sup>2</sup> The time records of Mr. Pocaro improperly include attorney's fees and travel billed at the same rate for appearances in U.S. District Court. *See, e.g.*, entries for 3/18/2010, 9/8/2011, 11/21/2011. Those appeals are still pending for disposition and relate to proceedings outside of this Court's jurisdiction.

### PROCEDURAL HISTORY

The instant matter is an adversary action brought by Plaintiff-Debtor against Defendant creditors for willful violations of the automatic stay which went into effect with the filing of his Chapter 7 Bankruptcy Petition on February 16, 2007. Moving defendants Gaitway and Showplace filed several pre-trial motions to be dismissed as party defendants, all of which were denied. This Court determined to bifurcate the hearings on liability and damages. Liability hearings were held on November 9, 2009 and November 30, 2009. On November 9, 2009, both of the moving defendants moved for dismissal of Plaintiffs' claims against them. The Court denied Defendant Showplace's Motion, principally for the reasons expressed in its February 15, 2011 Opinion. Doc.. No. 175 at 33. The Court granted Defendant Gaitway's Motion, principally for the reasons expressed in its Order of November 23, 2009. Doc. No. 112. See Opinion (Doc No. 175), p. 4-5 .

Thereafter, on December 7, 2009, Plaintiff appealed that Order to U.S. District Court. In an Order entered July 2, 2010, U.S. District Court remanded the matter to this Court, finding, pursuant to Fed. R. Bankr. P. 9052(c), that detailed findings of fact and conclusions of law were required and that absent same, it was "unable to meaningfully review the Bankruptcy Court's November 20, 2009 Order." U.S. District Court (USED) Doc. No. 22, fn. 1 ( 4th para.). The District Court also expressly noted, for the reasons stated, that it was not "reaching the merits of Appellant's additional arguments on appeal." Id. at 2.

On February 15, 2011, this Court entered its Opinion and Order following the liability trial and the parties' briefing thereon. In short, this Court found that Defendants Abbatiello and Shay, had willfully violated the automatic stay pursuant to 11 U.S.C. § 362(k)(1); reconfirmed its dismissal of Defendant Gaitway, after some consideration of Mr. Abbatiello's testimony -- albeit only on direct examination, Doc. No. 175 at 31-32, including fn. 32; and after considering the conflicting trial evidence, dismissed Defendant Showplace. Plaintiff filed a Motion to Alter or Amend Judgment, including issues going to mistaken findings of fact and specifically the Court's dismissal of both Showplace and Gaitway. Defendants Shay and Abbatiello filed a "Cross Motion" to Alter or Amend Judgment, after the allotted fourteen (14)-day period, which did not appear to be allowed under applicable Rules.

Following the parties' written submissions and a motion hearing, this Court, on April 18, 2011, issued an Order (Doc. No. 191) making some corrections with respect to its findings of fact but did not alter its Order finding Defendants Abbatiello and Shay liable for the willful violations of the stay.<sup>3</sup> Thereafter, Plaintiff filed an appeal of the February 15, 2011 Opinion and Order on liability, as amended by the April 19, 2011; same was docketed in District Court at Case. No. 11-3556. Moving Defendants filed no cross-appeal.

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<sup>3</sup> In that Order, this Court corrected its mistaken finding that Plaintiff had, at one time, confused another horse for one he was leasing and noted that the mistaken identification was made by a Mr. William Carter, and not Plaintiff Doc. No. 191, ¶ 3b. ( p. 3). Although that was one of the bases for discrediting Plaintiff's testimony on the issue of his positive identification of Mac's Derrick T at Showplace on February 19, 2007, this Court did not change its credibility determination.



Thereafter, a pre-trial conference and hearings on damages against Defendants Abbatiello and Shay went forward, with various hearings commencing on June 13, 2011 and concluding on July 25, 2011. See Opinion on damages, pp. 2-3 (Doc. No. 286). On April 10, 2012, this Court issued an Opinion and Order dismissing Plaintiff's adversary proceeding -- which then involved only Defendant Abbatiello and Shay -- with prejudice. On April 23, 2012, Plaintiff thereafter filed an appeal to U.S. District Court on issues relating to that most recent decision and incorporating all issues in all prior appeals U.S. District Court, insofar as issues as to the finality of same had been raised by the presiding judge. See Doc. No. 294. That appeal in District Court is docketed at Case No. 12-2844. None of the defendants have filed an appeal or cross-appeal.

On July 16, 2012, Defendants Gaitway and Showplace filed a Motion seeking attorney's fees and costs incurred in connection with their defense of the instant action, including in appeals still pending before U.S. District Court. For the reason set forth herein -- including the absence of jurisdiction in this Court with the Plaintiff's appeal -- said Motion must be denied its entirety.

LEGAL ARGUMENT

A. This Court Was Divested of Jurisdiction with Plaintiff's Appeal of 4/23/2012.

In the first instance, this Court lacks jurisdiction, as a matter of law, following its "Disposition of Adversary" on April 10, 2012, and Plaintiff's appeal of same to the U.S. District Court for this District on April 23, 2012. Doc. No. 294. That Notice of Appeal was framed in the broadest fashion possible in order to obviate any issue relating to the finality and appealability of the prior Opinion and Orders appealed to U.S. District Court. It states, in pertinent part, as follows:

PLAINTIFF RAFAIL THEOKARY hereby appeals . . . from the Opinion and Order of the Honorable Eric I. Frank, United States Bankruptcy Court, against PLAINTIFF and in favor of DEFENDANTS ERIC ABBATIello, TOM SHAY, GAITWAY FARM, INC., and SHOWPLACE FARMS, dismissing Plaintiff's Complaint in his adversary proceeding with prejudice, which were entered on April 10, 2012 ( Doc. Nos 286, 287), including an Order and Amended Order entered April 12, 2012 (Doc. Nos 288, 289). This appeal shall also include all prior Orders of this Court, including but not limited to, the Order of November 23, 2009 dismissing Defendant GAITWAY FARM, INC. (Doc. No. 112) and the Opinion and Order entered on February 15, 2011 dismissing Defendant SHOWPLACE FARMS (Doc. Nos 175, 176, to the extent that those Orders previously appealed may , at some time, be deemed not to be final Orders by the U.S. District Court or those appeals are denied on jurisdictional or other grounds.

Doc. No. 294 at 1-2.

It is then irrefutable that the issues raised in moving Defendants' July 16, 2012 Motion for Rule 11 Sanctions, which implicate this Court's prior determinations to dismiss said

defendants and enter judgment in their favor are addressed in Plaintiff's recent appeal at USED Case No. 12-2844 and in his prior appeals before said Court at Case Nos 10-58 and 11-3556. A long-established judicial rule however divests a trial court of jurisdiction once an appeal has been taken, with very narrow and limited exceptions. In Venen v. Sweet, 758 F.2d 117, 120-21 (3d Cir. 1985), the Third Circuit explained as follows:

As a general rule, the timely filing of a notice of appeal is an event of jurisdictional significance, immediately conferring jurisdiction on a Court of Appeals and divesting a district court of its control over those aspect of the case involved in the appeal. *Griggs v. Provident Discount Co.*, 459 U.S. 56, 58 . . . (1982); *United States v. Leppo*, 634 F.2d 101, 104 (3d Cir. 1980). "Divest" means what it says -- the power to act, in all but a limited number of circumstances has been taken away.

One exception noted in Venen obtains when an appeal is taken from a non-appealable order or judgment. 758 F.2d at 121. Another arises when a "prevailing party" is entitled to an attorney fee award and the amount of said award has not been decided at the time of the judgment in favor of a plaintiff. See West v. Keve, 721 F.2d 91, 94 (3d Cir. 1983).

Other exceptions include trial court jurisdiction "to issue orders regarding the filing of bonds or supersedeas bonds, or to modify, restore or grant injunctions," as well as "to issue orders with reference to the record on appeal . . . and to vacate a bail bond and order arrest." Venen, 758 F.2d at 120, fn. 2 After noting those various exceptions, the Third Circuit added the following: "Although we do not suggest that these are the only circumstances in which a district court retain the power to act, we reiterate that the instances in which such power is retained are limited." Id.

Insofar as none of the exceptions articulated by the Third Circuit obtain herein and the issues relating to this Court's determination to dismiss movants as party defendants are at

issue in Defendants' instant Motion for Rule 11 Sanctions, Plaintiff respectfully submits that this Court was divested of jurisdiction with the filing of Plaintiff's April 23, 2012 Notice of Appeal and prior Notices of Appeal herein. See also In re Washington Mutual, Inc., 461 B.R. 200, 217-18 (Bankr. D. Del. 2011) (noting that while Bankruptcy Court may have power to enforce its own orders after an appeal, it may not modify same, and citing to In re Strawberry Square Assocs., 152 B.R. 699,701 (Bankr. E.D.N.Y. 1993) for the proposition that "the bankruptcy court [may not] exercise jurisdiction over those issues which, although not themselves on appeal, nevertheless so impact those on appeal as to effectively circumvent the appeal process.")

As was noted *supra*, many of the issues raised in Defendants' instant Motion go to this Court's decision from February 15, 2011, which is pending for decision in District Court. See, e.g., ¶¶ 17, 18, 23 of Mr. Pocaro's Certification (Doc. No. 308-21), which references this Court's aforesaid liability Opinion (Doc. No. 175) and Your Honor's resolution of a conflict in the evidence as to the location of two of the horses on the day after the stay-violative lien sale. As was also noted *supra*, Defendants are even seeking attorney's fees relating to that pending appeal in District Court. Disposition of Defendants' instant motion would thus "effectively circumvent the appeal process," In re Strawberry Square Associates, 152 B.R. at 701, and thus, it is respectfully submitted, cannot be countenanced by this Honorable Court in accord with the law of this Circuit

B. Showplace Farm Determination in 2/15/2011 Opinion Shows "Evidentiary Support" for Plaintiff's Position

Defendant Showplace's claim that because Your Honor ruled after trial that he was resolving a conflict in evidence as to where the horses known as Mac's Derrick T ( Derrick) and Mac Only VP (Only VP) were on the day following the stay-violative lien sale in favor of Defendant Showplace Farm ( Certification of Mr. Pocaro, ¶ 18, p. 5), somehow entitles it to Rule 11 sanctions misconstrues the nature of Rule 11 sanctions. As was noted *supra*, Your Honor had denied said defendants' trial motion to be dismissed as a party because Your Honor "did not find the Debtor's testimony so unworthy of belief as to make it unnecessary for Showplace to present evidence" Doc. No. 175 at 3 , and also found that Plaintiff's claim for possession of the horses post-petition **did** have support in the law. *Id.* at fn. 33. Accordingly, Plaintiff's claims in that regard did have "evidentiary" and legal support and was not subject to sanctions pursuant to Fed R. Bankr.P. 9011 (b) (2), and (3) or for any other "improper purpose," Fed R. Bankr.P. 9011 (b)(1).

Plaintiff's counsel indeed had an ethical duty zealously to present Plaintiff's claims and make all argument within the bounds of the law for his testimony to be credited, which we did. In a recent Tenth Circuit decision, Gibson v. Solideal, Docket No. 11-5625 ( July 10, 2012), the Court highlighted the fact that Rule 11 is not intended to undo the "American Rule" in which a "prevailing litigant is ordinarily not entitled to collect a reasonable attorneys fee from the loser" *Alyeska Pipeline Svc Co. v. Wilderness Soc'y*, 421 U.S. 240, 247 (1975) and that such a result would impose an undue penalty on a poor litigant so as to discourage him or her from

instituting litigation to vindicate his/her rights. Slip op. at 7 (as reported on Lois Law) That is precisely the improper result that would be achieved if Defendants' instant motion for Rule 11 sanctions were granted. Moreover, with reference to the first section of this Argument, an appeal is still pending on the dismissal of Defendants; Gaitway and Showplace, and thus it not yet known who is the "loser" with respect thereto.

Finally, as was noted in the Introduction to this Brief, the substantial delay in Defendants filing this motion of some one and one quarter (1 1/4) years is notable and remarkable -- especially as those Defendants were not involved in the damages proceeding before this Court in 2011. Their involvement effectively ceased before this Court on February 15, 2010 with the liability decision on February 15, 2011. Why then have they waited this inordinate period? It is submitted that their Motion should accordingly be barred by the doctrine of laches and by the same Rule they cite therein: that is "presented for an[] improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation." Fed R. Bankr. P. 9011(b)(1).

Conclusion

For all of the foregoing reasons, Defendants' Motion for Rule 11 Sanctions must be denied in its entirety and Plaintiff awarded all costs and fees incurred in defending against same, as may be supported in a subsequent filing.

Respectfully submitted,

/s/ Kenneth a. Sandler  
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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**RAFAIL THEOKARY  
Plaintiff/Debtor**

**v.**

**ERIC ABATIELLO, d/b/a  
ABATIELLO RACING STABLES;  
GAITWAY FARMS, INC.;  
SHOWPLACE FARMS; TOM SHAY;  
and any JOHN DOES (1-10)  
ENTITIES OR LEGAL ENTITIES  
THAT MAY BECOME KNOWN  
AFTER FILING**

**: CASE NO.: 07-11008 (elf)**  
**: Chapter 7**  
**:**  
**: Adversary No.: 09-00051(elf)**  
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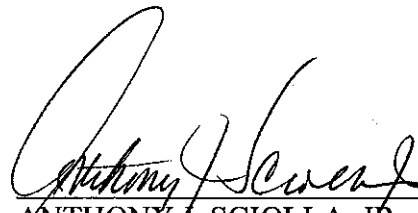
**CERTIFICATE OF SERVICE**

I, ANTHONY J. SCIOLLA, JR., ESQUIRE, hereby certify that a true and correct copy of Plaintiff's Counsel, Anthony J. Sciolla, Jr., Esquire's Response to Defendant's Motion for Sanctions Pursuant to Rule 11 was served upon the following attorneys, via first class U.S. regular mail, at the below address, on August 13<sup>th</sup>, 2012:

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